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INCHING TO ADJOURNMENT

Kansas legislators are tantalizingly close to *sine die* (final) adjournment today if they can resolve House and Senate differences over a tax reduction bill (**Senate Sub for HB 2228** – see below). The bill makes several key changes in state income tax laws that would cost the state a yet-to-be-determined amount in yearly tax revenues. The bill passed the Senate by the narrowest of margins (21-19) yesterday, and there is no assurance of a positive vote on the bill later today in the House.

Otherwise, the House and Senate members have resolved most of their differences on the other pending issues and are ready to bring the 2018 legislative session to a close. Thanks to projections of increased state revenues over the next 18 months, there was relatively little resistance to the budget bill containing appropriations totaling over \$7 billion from the State General Fund (SGF) for the remainder of this fiscal year and all of FY 2019.

Now the wait begins for the Kansas Supreme Court opinion as to the constitutionality of the school finance measure passed earlier in the session. That opinion is expected in late June, after both sides have presented both written and oral arguments to the Court.

This will be the final scheduled issue of Insights for this session. We hope these weekly commentaries and bill summaries have been of value to you.

BILL SUMMARIES

Listed below are selected bills which were passed during the week and are awaiting action by Governor Colyer. Additional information regarding the bills can be accessed by clicking on the bill number.

AGRIBUSINESS

HB 2583 - Creates the Noxious Weed Act which empowers the Kansas Secretary of Agriculture to make an emergency declaration of noxious weeds in certain situations. Establishes a 13-member noxious weed advisory committee with enumerated powers and duties. Makes it unlawful to knowingly sell or transport noxious weeds. Once a noxious weed is identified, it is declared to be a noxious weed in all counties. Specifies the powers and

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duties of county commissions to carry out the various provisions of the Act. Repeals current noxious weed and weed control statutes. (*Passed by the House on a vote of 112-8. Awaiting action by the Governor*)

BUSINESS AND ECONOMIC DEVELOPMENT

<u>SB 261</u> – Delays implementation of several sections of the Scrap Metal Theft Reduction Act until Jan. 1, 2020. Requires the Attorney General to report to the Legislature by Feb. 1, 2019, on the progress of developing the required database for the act. (*Passed by the House on a vote of 117-2 and by the Senate on a vote of 40-0. Awaiting action by the Governor*)

HB 2470 – Now also contains the provisions of **HB 2476**, **HB 2482**, and **SB 433**. Allows a microbrewery to contract with one or more microbreweries to manufacture and transfer beer or hard cider for the microbreweries. This can be done on both an intrastate and interstate basis. Such manufacturing must stay within the current gallonage and barrel aggregate limits set for microbreweries. Amends the alcoholic beverage statutes to include a definition of "alcoholic candy" as any candy or other confectionary product with an alcohol content greater than 0.5% alcohol by volume. Must have a liquor license to sell such candy. Also allows a microbrewery licensee to sell – for consumption off the licensed premises - beer manufactured by the licensee and placed in containers of a specified size. Identification labels are required on the containers. Also amends the period of time when the sale of alcoholic liquor is prohibited in any public venue, club, or drinking establishment to be from 2:00 a.m. to 6:00 a.m. Currently that period is from 2:00 a.m. to 9:00 a.m. Also allows farm wineries, microbreweries, and micro-distilleries to sell between 6:00 a.m. and midnight on any day. Also allows licensed establishments to provide to customers self-service beer from "automated devices." (*Passed by the House on a vote of 94-28 and by the Senate on a vote of 34-4. Awaiting action by the Governor*)

HEALTH CARE

Senate Sub for HB 2028 – Now contains most of the provisions of HB 2674 with the first seven sections cited as the Kansas Telemedicine Act. Defines what constitutes "telemedicine" and "telehealth." Prohibits the delivery of any abortion procedure via telemedicine. Contains a severability clause related to abortions. Provides for speechlanguage pathology and audiology coverage. Does not mandate coverage for a healthcare service provided via telemedicine. Act would apply to all insurance policies. Specifies what non-profit corporations would be subject to the Act. Requires the Board of Healing Arts (BOHA), the Department of Health and Environment (KDHE), and the Behavioral Sciences Regulatory Board (BSRB) to develop rules and regulations for several sections of the Act and prepare reports to be delivered to the legislature. Several sections of the Act become effective on Jan. 1, 2019, and the remaining section become effective on July 1, 2018. (*Passed by the Senate on a vote of 32-6 and by the House on a vote of 107-13. Awaiting action by the Governor*)

TAXES

Senate Sub for HB 2228 – Allows for specified reductions on Kansas state income taxes. Speeds up schedule for allowing full deduction of medical expenses, mortgage interest, and property taxes. Allows certain expensing deductions and allows specific tax credits. Allows itemized deductions on state returns, even if standard deductions were taken on the federal return. (*Passed by the Senate on a vote of 21-19. Awaiting further action by the House*)

Kansas Legislative Insights is a publication developed by the Governmental Relations & Public Policy Law practice group of Foulston Siefkin LLP. It is designed to inform business executives, human resources and governmental relations professionals, and general counsel about current developments occurring in current Kansas legislation. Published regularly during the Kansas legislative session, it focuses on issues involving health care, insurance, public finance, taxation, financial institutions, business & economic development, energy, real estate & construction, environmental, agribusiness, employment, and workers compensation. Bill summaries are by

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necessity brief, however, for additional information on any issue before the Kansas Legislature, contact Foulston Siefkin's Governmental Relations & Public Policy Law practice group leader, James P. Rankin at 785.233.3600 or jrankin@foulston.com.

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